

TYNE AND WEAR FIRE AND RESCUE AUTHORITY

MEETING: 23RD FEBRUARY 2009

SUBJECT: FINAL REVENUE SUPPORT GRANT SETTLEMENT FOR 2009/2010 AND PROVISIONAL SETTLEMENT FOR 2010/2011

JOINT REPORT OF THE CHIEF FIRE OFFICER AND THE FINANCE OFFICER

1. Purpose of Report

- 1.1. This report advises the Committee of the Final Revenue Support Grant Settlement for 2009/2010 and the Provisional Settlement for 2010/2011.

2. Background

- 2.1 On 21st January 2009, the Minister of State for Local Government issued his final report for the 2009/2010 Revenue Support Grant Settlement and his Provisional Settlement for 2010/2011. This follows on from the Local Government Finance Settlement consultation paper issued on 26th November 2008.
- 2.2 The main points of the Settlement are outlined in sections 3 and 4, with the effects on the Authority outlined at section 5.

3. National Settlement – Final 2009/2010

- 3.1 The main features of the 2009/2010 final settlement are as follows:
- Aggregate External Finance has increased marginally by £11 million in total to £73,131 million and relates to relatively minor changes to various special grants;
 - there have been no formula changes;
 - there have been no changes to the level of floor increases announced or to the scaling factors used;
 - the Government has also re-stated that it expects council tax increases of substantially below 5% and has re-emphasised that no authority should be in any doubt about the government's resolve in this matter, particularly during this period of economic downturn.

- 3.2 The effect of the above points means that the distribution of Formula Grant (RSG and National Non Domestic Rates (NNDR)) has not changed from the figures released by the government in its Provisional Settlement issued in November 2008.
- 3.3 The settlement details are set out in section 5 for information.

4 National Settlement – Provisional 2010/2011

- 4.1 The main features of the provisional settlement for 2010/2011 are as follows:
- Aggregate External Finance has been reduced marginally by £19m in total, to £76,338 million, from the figures released previously, which is due to some relatively small changes to special grants;
 - Formula Grant has remained unchanged;
 - the floor has remained unchanged with no changes to the scaling factors used;
 - the government has also indicated that the Council Tax increase should be substantially lower than 5% for 2010/2011, and has highlighted that the government's capping powers may be used again if authorities fail to adhere to this guidance.

5 Effects on Tyne and Wear fire and Rescue Authority

- 5.1 As a result of the details set out in sections 3 and 4 above:
- the Authority's final grant entitlement for 2009/2010 has remained unchanged from the figure of £35.184 million announced in November, which represents an increase of 1.26%.
 - the Authority's provisional grant entitlement for 2010/2011 has also remained unchanged at £35.570 million, representing an increase of 1.10%.
- 5.2 The Authority's specific and special grant allocations for 2009/2010 and 2010/2011 have yet to be announced. Any changes to those assumed in the revenue budget, will be reported to committee when the full details are released.
- 5.3 A separate report appearing later in this agenda deals with the budget requirement and the impact the final settlement will have for the Council Tax precept for 2009/2010.

6. Recommendations

- 6.1 Members are requested to note the report.